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the common law rule with the exception. *Megowan v. Peterson*, 173 N. Y. 1. It is doubtful, however, whether the decision in the principal case is not strictly in accord with the N. I. L., in that no words were added by the agent. Section 20. Courts have felt at liberty to admit evidence of the agency between the original parties, *Keidan v. Winegar*, 95 Mich. 430 (at common law); *Kerby v. Ruegames*, 107 App. Div. (N. Y.) 491 (under N. I. L.) But it seems there is no valid reason for excluding such evidence against third parties, when it is established that such parties had knowledge of the circumstances surrounding the execution of the instrument. *National Bank v. Clark*, 139 N. Y. 307, 311; *National Bank v. Wallis*, 150 N. Y. 455, 458; *Megowan v. Peterson*, *supra*, 6. It is well settled that collateral agreements between the parties which are a defense against the payee can be established to bar an action by a subsequent holder who took with knowledge of such agreements. 1 Daniel on Negotiable Instruments, (6th ed.) § 156; *Higgins v. Ridgway*, 153 N. Y. 130.

BROKERS—LIABILITY TO PRINCIPAL FOR UNAUTHORIZED INVESTMENTS BY AGENT.—*TITCOMB v. RICHTER*, 93 ATL. (CONN.) 526.—*Held*, brokers are liable to a client's principal if they allow the client to purchase and sell stocks on margin with the principal's money knowing that the money belongs to the principal and was intrusted to the client to invest so as to produce an income.

Where an agent disposes of his principal's property in excess of his authority the principal may recover his property from anyone. *Bertholf v. Quinlan Bros.*, 68 Ill. 297; *Kingman v. Pierce*, 17 Mass. 247; *Thatcher v. Kaucher*, 2 Colo. 698. The principal is not limited to his action against the agent. *Peters v. Ballister*, 3 Pick. 495. But the principal must be able to trace the property or its avails. *Roca v. Byrne*, 145 N. Y. 182. Evidence of substantial identity may be attached to the thing itself or be extraneous; but in either event it is admissible. *Farmers' Bank v. King*, 57 Pa. St. 202. One who actively assists in an agent's breach of trust with full knowledge of the agent's duty, and obtains the principal's money, incurs the same liability to the principal as does the agent. *Guernsey v. Davis*, 67 Kans. 378; *Perry v. Oerman*, 63 W. Va. 566. That the third party knew when he received the principal's property that the agent was appropriating it stamps the transaction with fraud. *Livermore v. Johnson*, 27 Miss. 284. The principal may, if in equity and good conscience entitled to the money, recover it in an action for money had and received. *Lehigh v. American Brake-Beam Co.*, 205 Ill. 147. The third party under the circumstances stated above is guilty of a conversion. *Gilmore v. Newton*, 9 Allen 171; *McCombie v. Davies*, 6 East 540. Hence the principal may maintain trover. *Worthington v. Vette*, 77 Mo. App. 445. Money sent by a principal to his agent in the course of business between them is often treated by the courts as a trust fund. *Roca v. Byrne*, *supra*. The trust ends when the fund is devoted to the purpose intended; but if the money is converted, the trust follows it into the hands of the party receiving it. *Central Stock Exchange v. Bendinger*, 109 Fed. 926. But to charge a third person as a party to the misappropriation of a trust fund

he must knowingly participate in the breach. *Perry v. Oerman, supra*. If such person receives the money in good faith, for value and without notice of the trust so as to acquire an equity superior to that of the true owners, he is not liable. *Central Stock Exchange v. Bendinger, supra*. Treating the property as a trust fund, an action in equity lies. *Union Stock Yards Bank v. Gillespie*, 137 U. S. 411. Whether the action be in quasi-contract, in trover or in equity, the authorities show that the rule in the principal case is correct.

DEDICATION—ESTOPPEL TO ACCEPT.—MAYOR OF BALTIMORE V. CANTON CO., 93 ATL. (IND.) 144.—Where there has been a dedication of land for a street, no user by the public or attempted control by the city, but a long continued user by the dedicating party who has for years paid taxes assessed by the city on the land, *held*, that under these facts and circumstances the city is estopped from asserting any right in the property and from accepting the dedication.

Dedication is a question of intention, and no particular form is required to make it valid. A valid dedication may be by a written instrument, by declaration or by acts. *Godfrey v. City of Alton*, 12 Ill. 29; *Smith v. Town of Flora*, 64 Ill. 93. An acceptance is always necessary (*Riley v. Hammel*, 38 Conn. 574), and must be made within a reasonable time. *Niles v. Los Angeles*, 125 Cal. 572. An acceptance may be by user by the public. *Hast v. Railroad Co.*, 52 W. Va. 396. An acceptance by a municipality is binding upon the dedicator. *City of Eureka v. Armstrong*, 83 Cal. 623. There seems to be little conflict on the proposition that a city may be estopped from asserting a right in the property dedicated. *Rhodes v. Town of Brightwood*, 145 Ind. 21, holds that, a dedication being to the public, a city, as the trustee of the rights of the public, cannot be estopped by its acts from maintaining the rights of the public. In that case, however, the grant became irrevocable, lots having been sold with reference to the parts dedicated. *Gillean v. City of Frost*, 25 Tex. Civ. App. 371, follows the case last cited, but may be explained also by the fact that an acceptance is shown by user by the public. Many cases hold that a re-occupation by the grantor for a long time will estop a city from accepting the dedication. *Town of Cambridge v. Cook*, 97 Iowa 602; *Village of Grandville v. Jenison*, 84 Mich. 54; *Village of Vermont v. Miller*, 161 Ill. 210. But here the element of acceptance within a reasonable time is evidently lacking and estoppel is not necessary. *Simplot v. City of Dubuque*, 49 Iowa 630, and *Smith v. City of Osage*, 80 Iowa 84, hold that where the right of use of the locus has been abandoned and taxes have been assessed and collected on the land in question the city is estopped from setting up any claim to the land. In the first of these two cases an abandonment and reverter to the grantor is shown. In the second case there was no acceptance within a reasonable time. *Hanger v. City of Des Moines*, 109 Iowa 480, holds that dedicated land in the actual possession of the public on which taxes have been collected for several years may be claimed by the city and the doctrine of estoppel does not apply. It is obvious that estoppel does not apply where there is an acceptance and a continued user.